

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF OKLAHOMA**

In re:

Bacone College

Case No. [24-80487](#)
Chapter 11 Sub V

Debtor.

DEBTOR'S OBJECTION TO MHEC'S MOTION TO CONVERT

COMES NOW Bacone College ("**Debtor**"), through counsel, who object to the trustee's motion to dismiss case for failure to maintain plan payments. In support, the Debtor state:

1. On June 21, 2024, Debtor filed a Voluntary Petition for Relief under Chapter 11 of the United States Bankruptcy Code at which time an Order for Relief was entered by the Court.
2. On July 16, 2024, creditor MHEC, LLC ("**MHEC**") filed its *MHEC's CORRECTED MOTION TO CONVERT* (the "Motion") at Docket 38. MHEC requests the case be converted from a chapter 11 (subchapter V) to a chapter 7 case, under 11 USC §1112(b)(1).
3. Debtor objects to the Motion.
4. Debtor welcomes the opportunity to show the court why there is a "reasonable likelihood of rehabilitation" and there is not a continuing diminution of the estate.
5. Debtor welcomes the opportunity to show the court this case was brought in good faith and necessary to stop the aggressive foreclosure proceedings brought by MHEC.
6. Although it has experienced financial setbacks and needs the court's help to reorganize under the bankruptcy code, Debtor intends to fulfill its mission to education Native American students within a nurturing Christian environment.

7. Debtor will present witnesses and evidence to show:
 - a. There are real estate assets owned by Debtor and by Bacone College Development Authority available to pay the secured creditors, including MHEC.
 - b. Debtor owns a substantial art collection, some of which could be marketed and sold, if necessary.
 - c. It is believed that Debtor has regular income through unrestricted donor contributions over \$200,000 yearly.
 - d. Debtor has up to \$1.4 million in funds to be received from the government's Employee Retention Credit (ERC) program.
 - e. Although not large, there are donations that arrive to the campus monthly.
 - f. Debtor has significant student accounts receivable that it is collecting.
 - g. Debtor representatives have undertaken fundraising activities to generate investment and other charitable income.
 - h. Debtor representatives have undertaken efforts to research government grants and similar funds.
 - i. Although Bacone has lost its current academic accreditation, Debtor representatives are seeking opportunities for Academic Partnerships or other Partnership Income Opportunities. Specifically, Debtor suggests its campus could be a satellite campus for another accredited institution.
8. Debtor's ability to restructure its financial affairs benefits all of the creditors in this case in a greater way than liquidation of Bacone College's historic campus

would help a single creditor.

WHEREFORE, Debtor objects to MHEC's Motion to Convert and ask that it be denied.

Respectfully submitted this July 26, 2024.

Respectfully submitted,
Brown Law Firm, P.C., by:

/s/ Ron D. Brown

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